

Determinants Influencing Consumer Purchase Decision With Reference to “Lite” Products

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Abstract. The study aims to analyze various factors influencing consumer purchase decision of ‘LITE’ food products. The study is descriptive in nature, random sampling was used, and self structured questionnaires were distributed among a sample of 574 customers. A satisfactory response rate of 87.80 per cent was achieved, as 504 questionnaires were usable for analysis. Factor analysis is used to find various determinants influencing consumer purchase decision of Lite Products and results of the factor analysis are put through the Cronbach’s Alpha reliability test.

The analysis indicates that consumer is now well aware of the ‘Wealth of Health’ and want to stay healthy and in good physical shape. Majority of customers feel that using “lite” products is a healthy way to stay in shape, as health came out to be the principal factor influencing the purchase of lite products using Rotated Principal Component Factor Analysis, followed by weight maintenance, taste, metro lifestyle and reliability. Apart from these factors, study indicates that price, promotion and availability are also considered important by customers while purchasing these products though the degree of importance is quiet low. The findings of the study provide opportunity to marketers to better understand the changing food consumption pattern of consumer and realize the huge growth potential of lite products in market.

Keywords: LITE Food Products, Low Fat Food Marketing, Health and Wellness, Health Conscious Market

1. Introduction

Health, wellness and body shape have been the most talked-about subjects in the food and beverages industry in recent years due to an alarming rise in obesity, diabetes and other lifestyle diseases, forcing companies to, stop producing and promoting unhealthy food and introduce healthier items (Bushan, Ratna, 2011). Major food companies have been sounding the theme of innovation for health and wellness. Food giants such as Kraft Inc., General Mills Company, Cargill and Unilever each have articulated a specific strategy to meet growing consumer demand for healthy food products, particularly low-fat and low carb products.

"The growing importance of health and wellness has significantly altered consumption and buying behaviors," says Roger K. Deromedi, Kraft's CEO. "Low-calorie diets, concerns about trans fat and obesity, and greater demand for organic and natural products are requiring a shift in what we market and how we market it." (Patricia Van Arnum, 2008)

As part of its health and wellness strategies, major food companies are focusing on four key opportunity areas that meet consumer needs: weight management, nutrient delivery, performance nutrition, and natural and organic. Food producers across the world have spent billions of dollars promoting the "low-fat" message to boost the sales of their "low-fat", "light" and "fat-free" products (Jayshankar P, 2004). Hearing the message loud and clear, consumers are trending more and more towards these products in the hope that eating low-fat will help to shed their excess kilo's (Britnell A, 2009). It's not just Western world, Indian consumer too have always believed in a deep link between diet and wellness, as per its ayurvedic and yogic traditions, so savvy marketers are riding this trend and are providing Lite- products for emerging diet and health conscious market. Today youngsters are obsessed of having slimmer, shapely bodies and it's not just the young generation, everyone is striving for the same. Here comes the concept of Lite products and Lite

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Marketing, which makes their life simpler, happier, tastier and more importantly healthier. This study aims to analyze various factors influencing consumer purchase decision of 'LITE' food products.

1.1. 'Lite' Products

Earlier, many of "Lite" claims made by marketers have been nothing more than advertising hype. The public has been misled with products like the "light" vegetable oil that was just light in color and the "lite" cheese cake that was just light in texture (Hazley G, 2006). But with the publication of new food labeling regulations, the Food and Drug Administration. "Light" or "lite" can mean one of two things: First, that a nutritionally altered product contains one-third fewer calories or half the fat of the reference food. If the food derives 50 percent or more of its calories from fat, the reduction must be 50 percent of the fat. Second that the sodium content of a low-calorie, low-fat food has been reduced by 50 percent. (By Food and Drug Administration, FDA)

Lite products are basically the Low- fat, low sugar, low carb, and low sodium foods providing benefits of: weight maintenance, weight reduction, management of diabetes, reduction of dental caries and reduction in the risks associated with obesity and other lifestyle diseases (Science Daily, 2009). These ingredients can be found in dairy products like milk, curd, cheese, butter etc, snacks, chewing gum, candies, ice cream, baked goods, fruit spreads and canned fruits, fillings and frostings, beverages, yogurt and tabletop sweeteners.

National and international brands like, Kraft Inc, Kelloggs, Coke, Britannia, Amul lite (butter, milk, cheese, curd), Nutralite, Daldalite, Horlickslite, Saffola, Parle et al. which have come up with healthy offerings, low in fat, sugar, calories, carbs, cholesterol etc and have made their place in different markets but still there is huge potential for players to come and tap the market.

2. Review of Relevant Literature

Though Health, wellness and body shape have been the most talked-about subjects in the food and beverages industry in recent years due to an alarming rise in obesity, diabetes and other lifestyle diseases, but research on this issue is in its very nascent stage.

Meryl Davids Landau (Feb 2010) examined how food habits or diet of the person can help him stay fit. He stated that "We Will Be What We Eat: When it comes to staving off the problems of aging, from bone and muscle loss to high blood pressure and heart disease, our diet is our friend--or enemy, focusing on the low calorie food habits of people. Yet another recent research was conducted by Cary Aspinwall.(Jan 2010), wherein he studied consumers food habit and developed his five factors for a better diet – and suggested eating low-fat food products. Camille Alarcon (Aug, 2009), examined redesigning of the marketing strategies by Clover Dairy brand, promoting low fat dairy products. Though technologies like cosmetic surgery, weight loss capsules have been in market for long but now people have realized the risk associated with them. Researchers are also working in this field, as David Bruce.(2009), analyzed the harm weight loss pills cause, and imagined how they results in weight loss causing harm to human body. Todd.(2009) also focused on the functioning of weight loss pills. Cathy Woolridge (Apr, 2008) found that Low- fat dairy such as yogurt, milk and cheese, nuts, peanut butter, cottage cheese, eggs, soy products and lean meats are all sources of protein thus promoted the consumption of lite products.

Prabhu Pingali (2006) described the determinants and trends in the diversification and Westernization of Asian diets. The paper also considered emerging challenges for food policy, small holder welfare, and agricultural research and development priorities. Venkatesh Tamlurkar (2006) studied Challenges & Ethical Issues of Contemporary Food Marketing and concluded that, the marketers, being the responsible citizens should be concerned more about the civilization and the environment instead of focused. Simone A. French (2003) examined the influence of lower prices and point-of-purchase promotion on sales of lower fat vending machine snacks. The study demonstrated that price reductions are an effective strategy to increase the purchase of more healthful foods in community-based settings. SA French, RW Jeffery, M Story, KK Breitlow, JS Baxter, P Hannan and MP Snyder (2001) examined the effects of pricing and promotion strategies on purchases of low-fat snacks from vending machines. And it was found that reducing relative prices on low-fat snacks was effective in promoting lower-fat snack purchases from vending machines in both adult and adolescent populations.

Michael Heasman, (1991), described an attitudinal survey of British food and drink manufacturers producing “lite” products, the study showed that the market is still in the early stages of development; there is some confusion among consumers about “lite” products – consumers need to be educated in using them.

3. Research Methodology

The research process involved the following steps. First a literature review was undertaken to identify the variables influencing the purchase of LITE products and to explore the growing awareness for healthy products. Second, focus group discussions were held with customers to explore various factors that customer feel are important while intending to purchase and actually purchase the lite products. Third a questionnaire was constructed and piloted. Last, a population and sampling procedure was established and methods of data collection and analysis determined. Random sampling was used, and questionnaires were distributed among a sample of 245 customers in Mumbai region.

A satisfactory response rate of 82.44per cent was achieved, as 202 questionnaires were usable for analysis. The raw data was captured in a Microsoft excel database to ensure accuracy. The spreadsheet was then imported into an advance statistical software package (SPSS version 16.0).Factor analysis was used to find out various determinants impacting consumer purchase decision of Lite Products. Results of the factor analysis were put through the Cronbach’s Alpha reliability test.

4. Research Results

During the first phase of data analysis, in order to provide a multivariate perspective on the various variables that influence the customer purchase decision of lite products and identify the variables that could be treated as factors that form customers’ decision parameters, a summary statistical measure was used. Particularly, Principal Components Factor.

Table 1: Principal Component Factor Analysis Results

Variables influencing purchase of lite Pdts	Fac 1	Fac 2	Fac 3	Fac 4	Fac 5	Fac 6	Fac 7	Fac 8
Prefer baked food over fried food	.179	.252	.652	-.093	.459	.255	.124	.176
Prefer shallow fried over deep fried	.355	.065	.735	.122	.136	.180	-.107	.127
Plain food over spicy food	.188	.333	.531	.157	.337	.096	.245	.138
Artificial sweetener over sugar	.209	.146	.655	.138	.116	.050	-.003	.108
Whole grain food over fine grained	.312	.144	.677	.077	.218	.049	-.042	.222
Prefer baked food over fried food	.234	.333	.702	-.166	-.044	.317	-.060	.157
Prefer shallow fried over deep fried	.109	.289	.678	.170	.448	.027	.367	.237
Doctors recommendation	.707	.362	.316	.141	.316	.472	.142	.112
Self consciousness about health	.842	.107	.337	.531	.071	.299	.115	.157
Just a Healthy alternative	.824	.213	.116	.468	.163	.241	-.020	.111
Dietitian’s advice	-.093	.783	.218	.485	.069	.005	.173	.092
Alternative s (gyming/ yoga etc)	.122	.768	-.058	.043	-.058	.436	.167	.085
Regular check over calories	.157	.756	.152	.043	.152	-.048	.086	.321
Availability in remote areas	.138	.086	.041	.234	.041	.040	.459	.782
Availability at local shops	.077	.228	.169	.132	.169	.051	.109	.576
Brand Awareness	-.166	.103	.071	.355	-.044	.267	.531	.113
Product awareness	.170	.384	.163	.188	.448	-.037	.655	.295
Benefit awareness	.141	-.083	.069	.209	.459	.150	.677	-.050
Motivation Creation	.531	.022	-.362	.312	.136	.168	.662	.228
Reliability/ credibility(promotion tools)	.468	.087	.812	.374	-1.08	.333	.887	.111
Self esteem	.485	.252	.378	.312	.654	.077	.211	-.005
Style icon/ Trend setter	.342	.431	.123	.414	.651	-1.66	.197	.105
Branding	.268	.412	.471	.707	.170	-.037	.077	.124
Quality Standardization	-.154	.103	.069	.842	.141	.049	.132	-.107
Positive word of mouth	.170	.384	-.362	.613	.081	-1.06	-2.00	.245
Higher price as compared to regular food	.026	.001	-.213	.013	.34	.766	.412	.362

Table 2 : Cronbach Alpha Reliability Test

Factor	No: of Items	C alpha value	Factor	No: of Items	C alpha value
Health	3	.825	Metro lifestyle	2	.708
Body weight & fitness	3	.813	Price	1	.712
Taste	7	.741	Promotion	5	.766
Reliability	3	.756	Availability	2	.753

Analysis with Varimax Rotation was conducted to extract a number of linear combinations of the original variables. Customer Health (HLTH) emerged as the principal factor, and it was found that the main reason why consumers intend or actually purchase lite products was their health. Weight maintenance and fitness (WGHT) was yet another important factor found which influence the purchase of lite products. For few customers it's not just the health but body shape which was of very high concern.

Food marketers are spending millions to woo the increasingly health-conscious modern day consumer by launching sugar-free and fat-free food, but in India taste matters more than calories as consumers don't prefer compromising taste for health. So there is no denying an increasing set of serious health conscious consumers in the country, the big challenge is maintaining taste, where consumers clearly don't want to compromise. Same was found through this paper as taste (TSTE) was the third factor influencing purchase decision of LITE product. Reliability (RLBLTY) came out as the fourth factor which is considered important by consumer while purchasing LITE Food products. Sometimes it's not the health benefit that motivated consumers to purchase LITE products but the image or the personality associated with them of being the trend setter or style icon. Therefore Metro lifestyle (MTRLTY) emerged as the fifth factor influencing purchase of lite products.

The urban Indian is willing to pay more to ensure health but, Price plays a key role in the trial-and-adoption cycle therefore price (PRCE) was again considered as influential factor in the purchase of lite products. Market for Lite Products is still in its introductory stage in India therefore it require creating awareness at various levels like a creating awareness for the products that are there in LITE category, various brands for different categories and then educating consumers about the benefit of these lite products. Beside this creating right motivational message with realistic claims is a challenge for marketers. Promotion (PMTN) was yet another factor that was successfully loaded upon on five variables. Place or availability (AVLBLTY) of LITE products came out to be a factor influencing the purchase of lite products though the importance of this factor was comparatively low.

5. Result Implication

The findings of the study provide opportunity to marketers to better understand the changing food consumption pattern of consumer and reveals that there is huge growth potential for lite products in market, which product, which is in its nascent stage. For the purpose of this study, Lite products refers to health and wellness products low in calories, fat, sugar, cholesterol etc. As purchase and consumption of LITE food products is still a metro phenomenon, the results of this study cannot be generalized to rural and sub urban regions.

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